

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 399 – HB 1339

April 6, 2010

SUMMARY OF AMENDMENT (013953): Deletes the language of the original bill. As regards surplus state real property, states that a functional replacement of real property is considered to continue public ownership and use and is not subject to reversion to the Department of Transportation (TDOT). Defines “functional replacement of real property” as property that serves the same function as the real property conveyed by the state by providing equivalent utility.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – Not Significant

Increase Local Expenditures – Not Significant

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

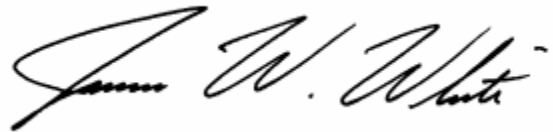
Other Fiscal Impact – According to TDOT, when TDOT proposes to sell its interest in real property acquired with federal funds, Federal Highway Administration rules require TDOT to charge current fair market value for the property. This amendment could violate those rules and could potentially jeopardize federal funding. In the federal fiscal year ending September 30, 2009, the State of Tennessee received \$762,023,000 in federal highway funds. According to the Federal Highway Administration, Tennessee’s receipt of an unspecified portion of these funds could be jeopardized by passage of this amendment. The amendment could also decrease state revenue if properties are sold for less than fair market value.

Assumption applied to amendment:

- This amendment could put TDOT in violation of the federal requirement found in 23 C.F.R. 710.409(d).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director

/kmc